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# **Local shopkeepers' associations and ethnic minority entrepreneurs**

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## **Abstract**

This paper provides empirical evidence concerning the relationship between ethnic minority entrepreneurs and local shopkeepers' associations in Amsterdam. Having more members means more support for the local shopkeepers' association, which in turn may have a positive impact on the shopping area, and the surrounding neighbourhood. In this way, local shopkeepers' associations exercise an important function of social entrepreneurship.

Many Western cities faced a strong growth of ethnic minority entrepreneurship in recent years. However, ethnic entrepreneurs join these local shopkeepers' associations less frequently compared to native entrepreneurs. To turn the tide for the decreasing support for the local shopkeepers' associations, the reasons for (not) joining, both for ethnic minority entrepreneurs and for native entrepreneurs, were researched. After a thorough literature survey, 70 shopkeepers in Amsterdam were interviewed.

The most important reasons why entrepreneurs do not join these associations are: insufficient benefits of the membership; costs of the membership too high; ignorance of the purpose of the local shopkeepers' association in that area; and distrust of this association. For ethnic entrepreneurs, ignorance of the purpose of the local shopkeepers' association in that area and ignorance of the purpose of these associations in general are

more important reasons not to join. In order to attract more members, these reasons should be incorporated in the associations' future policy.

## **INTRODUCTION**

Local shopkeepers' associations can play an important role in the neighbourhood. This especially applies to the urban areas, where crime and pollution are more prevalent. Collective action by the retailers in order to improve the quality of life in the shopping area may have a positive impact. Shopkeepers can cooperate in areas such as fighting crime and preventing pollution, issues which seem to be relevant in any shopping area. Also positive examples can be mentioned: collective Christmas illumination in December, and organizing street soccer tournaments for the local youth. More social cohesion in the neighbourhood may be the result, which is even more important in these days of sometimes high tension between different groups of people within the city. With this important role in the neighbourhood, local shopkeepers' associations can exercise an important function of social entrepreneurship.

A higher coverage (more members, both ethnic and native) means more support for and thus a stronger role for the local shopkeepers' association, with positive effects on social cohesion in the neighbourhood.

We will particularly pay attention to differences in participation between ethnic and native entrepreneurs, and will attempt to explain these differences. We will call the shopkeepers also entrepreneurs and retailers in this paper.

The subject is dealt with in an empirical sense, using data from five Amsterdam shopping areas, preceded by an explanation of the theory of ethnic entrepreneurship, an explanation of what are local shopkeepers' associations and a number of basic facts concerning ethnic entrepreneurship in the Netherlands. The paper concludes with propositions (due to the fact that this research project was explorative by nature) and recommendations for future research.

## **LITERATURE REVIEW**

Much literature has been devoted to the subject of ethnic entrepreneurship (or properly formulated: entrepreneurship by persons who belong to an ethnic minority group). In this

section we highlight two issues that may be important for this paper: the abundance of different groups and the important role of the own group. We will start with briefly positioning the ethnic entrepreneur.

### **The ethnic entrepreneur**

Ethnic entrepreneurship has to do with migration (see Castles, 2007). Ethnic entrepreneurs are united by a set of connections and patterns among people sharing a common national background or migration experiences (see Waldinger et al., 1990). Chaganti and Greene (2002) proposed that the term ‘ethnic entrepreneur’ should be defined by the level of personal involvement of the entrepreneurs in the ethnic community rather than just by their reported ethnic grouping. Sonfield (2005) mentioned that firms with as little as 30 per cent minority ownership still should be considered as minority business.

Kruiderink (2000) concluded that the percentage rise of starters (in the Netherlands) is far higher for ethnic groups than for domestic groups. However, their failure rate is also much higher, which results in a relatively low survival rate. See also Tillaart (2001). Therefore, and because ethnic entrepreneurship is a multifaceted phenomenon, a made-to-measure policy seems to be imperative.

### **Different groups**

Ethnic entrepreneurship comprises a multifaceted phenomenon that has at least as many sides as there are different ethnic groups. The literature shows convincingly that we deal with a great number of groups and sub-groups. We may refer here to an abundance of studies: Aldrich and Waldinger (1990), Barret et al. (1996), Basu (1998), Boissevain and Grotenbreg (1986), Boraah and Hart (1999), Chaganti and Greene (2002), Curran and Blackburn (1993), Deakins (1999), Deakins et al. (1997), Hammarstedt (2004), Johnson (2000), Lee et al. (1997), Li (1992), Masurel et al. (2004), Ram and Deakins (1996), Waldinger and Aldrich (1990), Waldinger et al. (1990), and Wong (2002). The most important criteria to distinguish among different groups are ethnic background and nationality. Within groups, there is an increasing attention for identifying subgroups, e.g. based on gender and generation.

### **The role of the own group**

The co-ethnic group or network appears to play a crucial role for ethnic entrepreneurs. The own group forms one pillar in their network, and established (native) institutions the other one. In this paragraph attention is paid to the reasons why these networks exist and the way in which they express themselves.

Ethnic or immigrant organisations are increasingly under the attention of different scholars. Schrover and Vermeulen (2005) mentioned that these organisations are not only important for the immigrants themselves, but also for their participation and integration into the host society. In general, these organisations are set up to create, express and maintain a collective identity. These organisations may differ due to group characteristics and organizational traditions in the country of origin (Vermeulen, 2005). However, also different (local) opportunity structures cause differences between groups: local policy reinforces the main driving forces behind organizing processes per group. Other authors pointed at the same phenomenon but mentioned it differently: e.g., connections and regular patterns of interaction among people sharing a common national background or migration experiences, influencing the behaviour of ethnic people (see Waldinger et al., 1990).

Delft et al. (2000) pointed at the multifaceted and flexible character of these networks, offering entrepreneurs good possibilities for the efficient recruitment of personnel and capital. Lee et al. (1997) called this phenomenon the 'social resources explanation': the success of ethnic minority business can partly be explained by the existence of such social resources as rotating credits, a protected market, and a labour source.

According to Ram (1994), the social networks of immigrants, comprising community and family, play a major role in the operation of ethnic enterprises. Externally, the group is seen as a means of overcoming obstacles in the market, while, internally, it provides a flexible source of labour and a means of managerial discipline. These networks provide an ethnic firm with potential competitive advantages. Through their networks of relatives and co-nationals, ethnic entrepreneurs have privileged, flexible access to information, capital and labour (Kloosterman et al. (1998). See also Basu (1998), Deakins (1999), Ram et al. (2001), Teixera (1998) and Yoon (1995).

Nijkamp (2003) stressed that informal spatial networks may be favourable for ethnic entrepreneurs. In this context, Ram et al. (2000) pointed at 'ethnic enclaves'. According to Graaf (2002) minimizing the costs of adaptation (or migration costs) is the main reason for the spatial clustering of immigrants. This can be translated into the possibilities of obtaining information, housing, and even finding future spouses. Pamuk (2004) mentioned that especially urban areas are becoming increasingly heterogeneous as a result of migration from non-Western countries to Western countries. In this context it is important to notice that location (of the ethnic minority business) is important for access to market potential (Ram et al., 2002). Greene (1997) has also mentioned that the ethnic community may be a source of intangible assets, such as the values, upon which entrepreneurs may draw.

The issue of ethnic entrepreneurs becoming a member of local shopkeepers' associations has to do with 'embeddedness' (see Granovetter, 1985). According to Jack and Anderson (2002), being embedded in the social structure creates opportunities and improves economic performance. In order to understand entrepreneurship, one needs to move away from considering the entrepreneur in isolation and look at the whole entrepreneurial process. Entrepreneurship is not merely an economic process but also draws from the social context which shapes and forms entrepreneurial outcomes. Embedding is the mechanism whereby an entrepreneur becomes part of the local structure. See also Gulatti (1998), Hite (2005) and Uzzi (1998) on the economic and social aspects of embeddedness.

Most ethnic entrepreneurs have to deal with a situation of mixed embeddedness, which means that they are embedded in both social networks of immigrants and the socio-economic and politico-institutional environment of the country of settlement (Kloosterman et al., 1999). In later work, Rath et al. (2002) pointed at the importance of combining factors that operate at a micro, meso and macro level. Based on these seminary works, a number of variations have been published, e.g. internal forces (the cultural milieu of the own community) versus external forces (the surrounding environment) (Barret et al., 2002), and informal networks (consisting mainly of family members and friends, representing the ethnic world) and formal networks (mostly

representing the native world, consisting of established institutions like banks, mainstream entrepreneurial associations, employments associations) (Rusinovic, 2006). Embeddedness is not a static phenomenon, however. In case of the ethnic entrepreneurs, much attention is paid to breaking out of the current situation with its strong emphasis on the own group (breaking out: see Engelen, 2001). For this breaking out, often offering products and services for a broader group of clients, the entrepreneurs need to adjust their behaviour. Experience and promotion are decisive for their success in broader markets (Masurel et al., 2004).

This paper follows one line of empirical research of the mixed embeddedness perspective of Kloosterman and Rath (2001): using the mixed-embeddedness approach at the micro-level of neighbourhoods, the intricate interplay between individual actors, social networks and opportunities for businesses. In the next sections, the relationship between both small ethnic and native retailers, on the one hand, and locally operating shopkeepers' associations will be studied.

## **LOCAL SHOPKEEPERS' ASSOCIATIONS**

Local shopkeepers' associations are very recognizable in the Dutch retail sector, as are trade associations in the Dutch economy in general. Many of these organisations have been active for decades. However, there is hardly any information on the relationship between local shopkeepers' associations that are dominated by natives and the membership of ethnic entrepreneurs, in the international literature. This confirms Shaw (2006), who stated that significant gaps exist in knowledge and understanding about small firm networks. The local shopkeepers' associations can be seen as an example of established (native) institutions, one of the pillars of the ethnic entrepreneurs' network, together with the own group.

In general, we can define a local shopkeepers' association as 'the platform where local retailers meet, develop and implement common plans, and meet with local authorities'. The organisational pattern is spatial, e.g. organized per mall or per area. These associations should not be confused with other types of organisations. Because hardly anything has been written on the relationship between local shopkeepers' associations

and ethnic entrepreneurs, no explicit hypotheses have been formulated here. Therefore this research project can be typified as explanatory.

## **ETHNIC ENTREPRENEURSHIP IN THE NETHERLANDS**

Before we continue with the fieldwork we will pay attention to ethnic people and ethnic entrepreneurship in the Netherlands. When discussing ethnic issues in general it is referred to non-Western ethnic people.

In 2002 the Netherlands counted 967,500 entrepreneurs, of them almost five per cent non-Western ethnic (EIM, 2004). We deal with the 2002 figures, because the fieldwork for this paper was conducted in the first half of 2003. This share is based on the following definition of ethnic: 'living in the Netherlands and with at least one parent who was born abroad'. With non-Western we mean Africa (excluding South Africa), Asia (excluding Japan and Indonesia), South and Central America and Turkey. The most prominent group among the ethnic entrepreneurs in the Netherlands is the Turkish, followed by the Surinamese, the Moroccans and the Chinese. Retail and hospitality are still the most important sector for the ethnic entrepreneurs. However, like in the UK (Ram and Carter, 2003), there are signs that ethnic entrepreneurs are diversifying into other sectors, e.g. knowledge intensive services.

More than two thirds of the non-Western ethnic entrepreneurs operate in the western (most urbanized) part of the Netherlands. This dispersion follows the pattern of ethnic people in general. Also within the western part of the country strong concentrations exist, especially within certain urban areas and neighbourhoods (spatial clustering). This makes studying the relationship between local shopkeepers' associations and ethnic entrepreneurs in urban areas a relevant subject.

## **EMPIRICAL FIELDWORK: CHARACTERISTICS OF THE RESPONDENTS**

In the period February–April 2003, 70 shopkeepers in five Amsterdam shopping areas were interviewed. Amsterdam is the capital of the Netherlands, located in the western part of the country.



The five areas are: Shopperade Osdorp, Javastraat, Berlage Passage/Mercatorplein, Dapperbuurt and De Pijp. The membership of the Shopperade Osdorp association is compulsory, the membership in the other four areas is not.

The five areas were selected because they were known for their vast number of ethnic shops, though this may have caused some bias. According to [www.winkeliersverenigingen.nl](http://www.winkeliersverenigingen.nl) (not in action anymore) there were 137 local shopkeepers' associations operating in Amsterdam (in early 2004). However, when we reviewed their names, not all of them seemed to belong to our target group.

In all five areas 14 shopkeepers were interviewed, and we planned to interview seven ethnic and seven native shopkeepers (this was the only match we tried to make). This, however, resulted in a total of 37 native and 33 ethnic shopkeepers (52.9 per cent versus 47.1 per cent): it is not always possible to judge beforehand, from the outside, whether a possible respondent belongs to an ethnic minority group (and we decided to raise the personal questions at the end of the interview). So these shares of ethnic and native shopkeepers do not reflect the actual market situation, this was not our aim.

In each area, the interviewer started by interviewing representatives (mostly board members) of the local shopkeepers' association. Then he walked around and visited the shops. Although the selection of the respondents took place ad random, only divided into ethnic versus native, some bias may have occurred. For example: it seems to be logical that loyal members of the shopkeepers' association were more willing to participate in our research project than non-members. However, in the remainder of our paper we will not refer to this possible shortcoming again.

In our research project, we defined 'ethnic' (belonging to an ethnic minority) as 'born in another country than the Netherlands'. This is only one definition of ethnic; there are many alternatives. This is, however, not the place to discuss the definition of 'ethnic' in-depth, and the above definition suffices for our purpose.

It should be noted that, in general, interviewing people from minority groups is difficult, as often there is suspicion about the meaning of this type of research. There is also a fear that providing information on sometimes informal activities is not in the interest of the ethnic owner-manager. Werbner (1999) mentioned the occasional nature of their earnings and the unreported, informal economy as main reasons for false statistics in the context of

ethnic entrepreneurship. It was clearly an advantage that our interviewer was second-generation ethnic himself, although many different kinds of ethnic minorities were encountered in our survey.

57 of the interviewees were male, 13 were female. On 53 occasions the interview took place with the actual owner; on 15 occasions with the shop manager; and on two occasions with an assistant shop manager. More than half of the respondents were in the age range 20 to 40 years. 58 shopkeepers were operating in the retail sector; nine in the hospitality sector; and three in the services sector. One could say that the firms belonging to the hospitality sector and the service sector also have a retail character, i.e. delivering directly to end-users. Therefore, we will only use the term 'retail' in this paper.

We can point at two differences between the two groups of shopkeepers:

- The ethnic shopkeepers are younger than the native shopkeepers: 77.8 per cent of the former was born after the 1950s, versus only 51.5 per cent of the latter (one native shopkeeper refused to give his age).
- Within the group of ethnic shopkeepers fewer women participate, compared to the group of native shopkeepers (8.3 per cent versus 29.4 per cent).

From Table 1 it becomes clear that we are dealing with an extremely colourful and diverse group: not less than 16 ethnic backgrounds<sup>1</sup> within the group of 70 respondents. To put it another way: 15 different ethnicities within the group of 33 ethnic respondents. The strong presence of Surinamese and Turkish retailers is hardly surprising to anybody knowing the Amsterdam commercial landscape. The other ethnic backgrounds complete the rich palette of the Amsterdam population. The heterogeneous character of the group of ethnic shopkeepers undermines the sense for hard statements for ethnic people in general.

## **EMPIRICAL FIELDWORK: THE MEMBERSHIP ISSUE**

Now we continue with the main theme of this paper: participation in local shopkeepers' associations. We will first look at the degree of participation, and then at the reasons for not-joining and for joining.

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<sup>1</sup> One respondent stood by his opinion that his country of birth was Mesopotamia, although this is currently not an official country. An alternative may have been Iraq. However, he is listed in Table 1 as originated from Mesopotamia.

**Table 1. Ethnic background of the respondents**

	Number of respondents	Percentage
The Netherlands	37	52.9
Surinam	6	8.6
Turkey	6	8.6
Pakistan	4	5.7
Iran	3	4.3
Morocco	3	4.3
Ghana	2	2.9
Antilles	1	1.4
Bangladesh	1	1.4
England	1	1.4
Ethiopia	1	1.4
India	1	1.4
Iraq	1	1.4
Jordan	1	1.4
Mesopotamia	1	1.4
Sri Lanka	1	1.4
Total	70	100

**Degree of participation**

From our research, it appeared that 43 of our 70 respondents (61.4 per cent) were members of the local shopkeepers association in their neighbourhood. Unfortunately, neither local nor national figures on membership are available for comparison.

On the basis of our research it can be said that there is a clear behavioural difference between ethnic and native shopkeepers in this respect: 27 of the 37 native respondents (73.0 per cent) were members, versus only 16 of the 33 ethnic respondents (48.5 per cent). The Chi Square test indicates that this difference is significant at the 3.6 per cent level (value 4.4, one degree of freedom), so it is reliable. Hence, it may be concluded that native shopkeepers join the local shopkeepers' association more frequently, in comparison with their ethnic counterparts.

As mentioned before, membership of the local shopkeepers' association is compulsory in one shopping area. Therefore, we also look only at the figures of the remaining four areas, where membership of the local shopkeepers' association is voluntary. Then we come to membership scores of 51.8 per cent (29 of 56) overall, 65.5 per cent (19 of 29) for the native shopkeepers and 37.0 per cent (10 of 27) of the ethnic shopkeepers. The

Chi Square test indicates that this difference is significant at the 3.3 per cent level (value 4.5, one degree of freedom), so it is also reliable. This bigger difference between ethnic and native membership, when it concerns only voluntary membership, confirms the former conclusion that ethnic shopkeepers join local shopkeepers' associations less frequently, in comparison with native shopkeepers.

However, there are more forms of local participation, especially the contact with the community policemen and the contact with civil servants. Furthermore, a multitude of more or less informal forms of local participation were mentioned, e.g. street soccer tournaments; assistance for senior citizens; and activities for local schools.

### **Reasons not to join**

We can identify a number of reasons why retailers do not join a local shopkeepers' association (see Table 2). These reasons, based on the literature review, internal brainstorming sessions, and test interviews, are often interdependent and overlapping. We asked our respondents whether each reason was applicable on a 3-point scale: disagree (score 1); neither disagree nor agree (score 2); and agree (3). We used the robust 3-point scale (as opposed to the 5-point scale or the 7-point scale) as a concession to the known problems with interviewing minorities (see earlier in this paper).

The most frequently mentioned reason is insufficient benefits from the membership, with an average score of 2.41 (on the scale from 1.0- 3.0). The second reason for not joining is the perception that the membership is too expensive.<sup>2</sup> Then follow ignorance of the purpose of the local shopkeepers' association in that area, and feelings of distrust towards the association. The other reasons are hardly of any importance, and are all near to score 1 = disagree.

Furthermore, we asked whether the respondents could think of other reasons not to join. On a number of occasions it was mentioned that one was not permitted to join by order of the respondents' own head quarters (of course this was only mentioned by representatives of branches and by franchisees of retail chains).

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<sup>2</sup> From additional interviews we know that the costs of membership vary strongly. We know of a case in which the yearly costs were only up to € 57 but in another case it amounted up to € 350.

**Table 2. Reasons for not joining local shopkeepers' associations**

	All	Natives	Ethnics	P-value
Shopkeepers' associations not known	1.44	1.00	1.71	0.003***
Distrust of shopkeepers' associations	1.37	1.70	1.18	0.034**
Existence LSA not known	1.19	1.00	1.29	0.191
Purpose LSA not known	1.70	1.30	1.94	0.063*
Distrust of the local shopkeepers' association	1.70	1.80	1.65	0.630
Afraid to loose independence	1.07	1.20	1.00	0.198
Small chance of being accepted	1.00	1.00	1.00	1.000
Insufficient benefits of membership	2.41	3.00	2.06	0.003***
Membership too expensive	2.19	2.20	2.18	0.942
Problems with language	1.11	1.00	1.18	0.305
Contrary to cultural background	1.00	1.00	1.00	1.000
Contrary to religious background	1.00	1.00	1.00	1.000

\* Significant at the 10% level.

\*\* Significant at the 5% level.

\*\*\* Significant at the 1% level.

Looking at the differences between ethnic and native shopkeepers for not joining, we see four significant differences (based on the t-test per reason). For the ethnic retailers, ignorance of the purpose the local shopkeepers' association in that area and general ignorance of the phenomenon of local shopkeepers' associations are more important than they are for native retailers. For the latter group, insufficient benefit from the membership and general distrust of this kind of organizations are more important reasons for not joining.

### **Reasons to join**

Next to reasons not to join, we can identify a number of reasons for being a member of the local shopkeepers' association. These potential reasons again were formulated on the basis of the literature review, internal brainstorming sessions by the research team, and test interviews.

The reasons 'direct financial benefits', 'indirect financial benefits' and 'formal obligation' will be clear. The reason 'moral duty' is rather intangible: with this reason we mean a felt responsibility to join the local shopkeepers' association, e.g. for reason of further developing the shopping area.

From Table 3A it becomes clear that indirect financial benefits and moral duty are by far the most important motives to become a member of the local shopkeepers' association, with average scores of 2.49 and 2.40, respectively, on a scale from 1.0 – 3.0. Formal obligation and direct financial benefits were less important, given their average scores of 1.60 and 1.26 respectively. In addition, having one's say and collectively looking after the retailers' interests were mentioned, as answers to the open-ended question.

Then we look at the differences between ethnic and native shopkeepers (based on the t-test per reason). There are two reasons about which the two groups really disagree: direct financial benefits and moral duty. These reasons to become a member were mentioned significantly more frequently by native shopkeepers, in comparison with their ethnic counterparts (p-values at 9.3 per cent and 9.7 per cent respectively). For the other reasons, no significant differences occurred between native and ethnic shopkeepers. The sequence in the importance of the answers is more or less similar within both groups.

**Table 3. Reasons for joining the local shopkeepers' association**

**A. All five organizations**

	All	Natives	Ethnics	P-value
Direct financial benefits	1.26	1.37	1.06	0.093*
Indirect financial benefits	2.49	2.59	2.31	0.210
Formal obligation	1.60	1.52	1.75	0.423
Moral duty	2.40	2.56	2.13	0.097*

\* Significant at the 10% level.

**B. Only the four voluntary organizations**

	All	Natives	Ethnics	P-value
Direct financial benefits	1.24	1.32	1.10	0.288
Indirect financial benefits	2.48	2.53	2.40	0.647
Formal obligation	1.00	1.00	1.00	1.000
Moral duty	2.38	2.42	2.30	0.726

\* Significant at the 10% level.

If we leave out the single association with compulsory membership, we come to the conclusion that indirect financial benefits and moral duty are still by far the two most important motives, see table 3B. Direct financial benefit comes in the third place, and obviously formal obligation is not applicable. However, the reasons of indirect financial

benefits and moral duty no longer elicit significant differences between native and ethnic shopkeepers. So with voluntary membership there are no significant differences between native and ethnic shopkeepers, with respect to reasons to join a shopkeepers' association.

## **DISCUSSION**

Indirect financial benefits and moral duty are by far the two most important reasons to become a member of the local shopkeepers' association, both for native and ethnic shopkeepers. Moral duty is even more significantly important for native shopkeepers than for ethnic shopkeepers. Furthermore, direct financial benefits are also more important for native shopkeepers than for ethnic shopkeepers, although this reason plays a minor role. However, these observations cannot be dealt with in isolation from general familiarity with local shopkeepers' associations, which is greater for native retailers than for ethnic retailers.

The two main reasons not to become a member of the local shopkeepers' association are: insufficient benefits from the membership, and the perception that the costs of the membership are too high. Then follow more intangible reasons: ignorance of the purpose of the local shopkeepers' association in that area and distrust of this association. The other reasons are of hardly any importance here.

Insufficient benefits are significantly more important for native shopkeepers: apparently they are able to make a better trade-off than ethnic shopkeepers can, because they are better informed on the pros and cons of the membership. Furthermore distrust towards local shopkeepers' associations in general is a reason for them specifically not to join: this may have to do with the reason why these associations exist, while yielding not enough benefits for participants.

Ignorance of the purpose of the local shopkeepers' association in that area and ignorance of the purpose of local shopkeepers' associations in general are more important for ethnic shopkeepers, in comparison with native shopkeepers. This indicates that they are not always well-informed about the pros and cons of membership, just as they are probably not well-informed about their new home country in general.

Demonstrating tangible benefits from a shopkeepers association is complicated, by definition. So it may be concluded that increasing the participation even by native

shopkeepers will be very hard, except by stressing their moral duty to become members of such an association.

Stimulating ethnic shopkeepers to become members of the local shopkeepers' association should be done differently. Communication is the key word here: they should be better informed about the phenomenon in general, and about the purpose of the local shopkeepers' association in their particular neighbourhood. However, it should be noted that we are talking about a large number of ethnic groups. Thus, they are very diverse, all possibly having their own specific decision making processes.

Additional insight in the (perceived) benefits and costs of membership may give direction for the future strategy of local shopkeepers' associations to increase the degree of participation. The list of reasons not to join and reasons to join presented in this paper may serve as a basis for this purpose.

The low participation degree of ethnic shopkeepers does not mean by definition that they are not part of any business association. When we look back at the important role of the ethnic group or network, we may think that co-ethnic associations may serve as alternatives for local shopkeepers' associations. Expressing the specific interest of local shopkeepers' associations additional to other business associations can be one instrument in the communication of local shopkeepers' associations.

## **CONCLUSIONS**

In this study, we have provided insights into the attitude of retailers towards the local shopkeepers' associations in their area. Local shopkeepers' associations can play an important role in the neighbourhood, offering a unique non-traditional interpretation of social entrepreneurship. This research can be placed in the context of mixed embeddedness, meaning that the ethnic entrepreneurs interact with both their own group and with established institutions (here the local shopkeepers' associations in the Netherlands). Insight in the reasons why ethnic entrepreneurs tend not to join the native pillar of their network (here the local shopkeepers' association), may change the latter's policy, and thus lead to more participation in these institutions. Being more open towards ethnic entrepreneurs may strengthen the latter's position.



More than 60 per cent of the retailers we interviewed were members of their local shopkeepers' association, mostly because of indirect financial benefits and moral duty (the latter especially applies to native shopkeepers). Native shopkeepers join these associations more frequently than their ethnic counterparts (more than 70 per cent versus less than 50 per cent).

The most important reasons why retailers in general do not join a local shopkeepers' association are: insufficient benefits from the membership; the high costs of membership; ignorance of the purpose of the local shopkeepers' association in that area; and distrust towards this association. Insufficient benefits are more important for native retailers, in comparison with ethnic retailers. Furthermore, distrust of these associations is more important for native shopkeepers, in comparison with ethnic shopkeepers.

For ethnic entrepreneurs, ignorance of the purpose of the local shopkeepers' association in that area is more important than it is for native shopkeepers. In addition, ignorance of the phenomenon of local shopkeepers' associations in general is also more important for ethnic shopkeepers.

So the two most important propositions based on this explorative research project are: (i) ethnic shopkeepers participate less frequently in local shopkeepers' associations than do native shopkeepers; (ii) lack of information on the part of the ethnic shopkeepers is the most explanatory factor for this difference in participation. In combination with working out these propositions, additional research can be done on: (i) differences between ethnic groups in their participation degree; (ii) the extent into which ethnic organisations are perceived as an alternative for local shopkeeper associations. In this way a further contribution can be made in filling the gaps in knowledge and understanding of ethnic entrepreneurship

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